Vote No. 64

March 25, 1999, 11:57 a.m. Page S-3352 Temp. Record

BUDGET RESOLUTION/NIH Reserve Fund & Tobacco Taxes

SUBJECT:

Senate Concurrent Budget Resolution for fiscal years 2000-2009...S.Con. Res. 20. Domenici (for Specter) motion to waive section 305(b)(2) of the Budget Act for the consideration of the Specter/Harkin amendment No. 157.

ACTION: MOTION REJECTED, 47-52

SYNOPSIS: As reported, S.Con. Res. 20, the Senate Concurrent Budget Resolution for fiscal years 2000-2009: will cut the debt held by the public (money that the Federal Government owes to creditors other than itself) in half over 10 years; will fully fund Medicare (all of the President's proposed \$9 billion in Medicare cuts were rejected; as a result, this budget will allow \$20.4 billion more in Medicare spending over the next 10 years); will save the entire \$1.8 trillion in Social Security surpluses over the next 10 years for Social Security; will provide for \$778 billion in net tax relief over the next 10 years (in contrast, the President's budget would increase the tax burden by \$96 billion net over 10 years), and will adhere to the spending restraints (discretionary spending caps and pay-go provisions) of the bipartisan budget agreement as enacted in the Balanced Budget Act of 1997 and the Taxpayer Reform Act of 1997 (the President's proposed budget, in contrast, would dramatically increase spending in violation of that bipartisan agreement, and would result in \$2.2 trillion more in total Federal debt at the end of 10 years than proposed in this Senate budget).

The Specter/Harkin amendment would create a reserve fund to permit higher taxes and spending in the event that Congress passed legislation later this year to disallow a Federal income tax deduction for any payment to the Federal Government or to any State or local government in connection with any tobacco litigation or settlement. In the event of passage of such legislation, \$1.4 billion of the increased tax revenue (an estimated \$1.8 billion would be raised in fiscal year 2000 if the tax deduction were disallowed) would be used to fund biomedical research at the National Institutes of Health (NIH).

NOTE: If a budget resolution does not include changes in revenues or outlays for subsequent tax or spending legislation that presumably may be enacted, a mechanism called a "reserve fund" can be added to the resolution that will allow the Budget

(See other side)

YEAS (47)				NAYS (52)			NOT VOTING (1)	
Republicans (10 or 19%)	Democrats (37 or 82%)		Republicans (44 or 81%)		Democrats (8 or 18%)	Republicans (1)	Democrats (0)	
Abraham Collins DeWine Jeffords Mack Santorum Smith, Gordon Snowe Specter Thurmond	Akaka Bayh Biden Bingaman Boxer Bryan Byrd Cleland Daschle Dodd Dorgan Durbin Feingold Feinstein Graham Harkin Inouye Johnson Kennedy	Kerrey Kerry Kohl Lautenberg Leahy Levin Lieberman Mikulski Moynihan Murray Reed Reid Rockefeller Sarbanes Schumer Torricelli Wellstone Wyden	Allard Ashcroft Bennett Bond Brownback Bunning Burns Campbell Chafee Cochran Coverdell Craig Crapo Domenici Enzi Fitzgerald Frist Gorton Gramm Grams Grams Grassley Gregg	Hagel Hatch Helms Hutchinson Hutchison Inhofe Kyl Lott McCain McConnell Murkowski Nickles Roberts Roth Sessions Shelby Smith, Bob Stevens Thomas Thompson Voinovich Warner	Baucus Breaux Conrad Edwards Hollings Landrieu Lincoln Robb	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea	

VOTE NO. 64 MARCH 25, 1999

Committee Chairman to make adjustments to it after it has passed in order to accommodate such legislation, if necessary. Reserve funds have usually been included in budget resolutions either to approve the consideration later in the year of tax-and-spend proposals or tax relief-spending cut proposals. Without reserve funds, such proposals are subject to 60-vote points of order, even if they do not violate the "paygo" (deficit neutrality) requirement for tax and mandatory spending proposals. Tax cuts cannot be paid for with spending cuts, unless approved in a reserve fund, because such approval would trigger a 60-vote point of order against considering proposals that would lower projected revenues below the revenue floor set in the budget resolution. Similarly, new entitlement spending cannot be paid for with new taxes, unless approved in a reserve fund, because such approval would trigger a 60-vote point of order against entitlement spending in excess of the aggregate mandatory outlay ceiling set in the budget resolution. Reserve funds allow the floor and the ceiling to be changed, respectively, and thus avoid the points of order.

After debate, Senator Bunning raised a point of order that the amendment violated section 305(b)(2) of the Budget Act. Senator Domenici, for Senator Specter, then moved to waive that section for the consideration of the amendment. Generally, those favoring the motion to waive favored the amendment; those opposing the motion to waive opposed the amendment.

NOTE: A three-fifths majority (60) vote is required to waive the Budget Act. After the vote, the point of order was upheld and the amendment thus fell.

Those favoring the motion to waive contended:

In 1997, when NIH funding was at about \$12.5 billion, Senator Mack offered an amendment expressing support for doubling NIH's funding over 5 years. That amendment passed unanimously. Unfortunately, it has been difficult to find money to support that goal. Funding has gone up to about \$16 billion in the past 2 years. This budget asks only for a \$600-million increase, and the President has asked for even less. If we do not make a much larger increase we will have no chance of meeting our 5-year goal. Therefore, we have proposed this amendment to increase funding for the NIH this year by another \$1.4 billion, for a total increase of \$2 billion this year. We have proposed paying for that increase by denying tobacco companies a tax deduction for the payments that they make in settlement of lawsuits against them. As a matter of priorities, we are convinced that most Americans strongly agree that it is less important to give a tax break to big tobacco companies than it is to fund health research. Funding health research yields tremendous dividends. If we pay for more health care research, more medical advances will be made. Those advances will save millions of lives, will improve tens of millions of lives, and will save tens of billions of dollars. We understand that many of our colleagues may oppose this amendment because they think that we can find other, lower priority areas in the \$1.7 trillion Federal budget to cut in order to pay for a \$1.4 billion increase in NIH funding. We agree that NIH funding is of a higher priority than almost all other Federal funding, but we note also that, as a practical matter, it has been very hard to get Members to agree on which areas to cut in order to get extra money for health research. We urge our colleagues to recognize that this amendment offers us our best chance to provide NIH a large increase in funding this year.

No arguments were expressed in opposition to the motion to waive.